## REMARKS

The Office Action dated December 31, 2007, has been received and carefully reviewed. The preceding amendments and the following remarks form a full and complete response thereto. Claims 10-14 have been amended as to matters of form.

No new matter is added. Claims 1-14 are pending in this application and are submitted for consideration.

New corrected drawings in compliance with 37 CFR 1.121(d) were required on the ground that neither informal or formal drawings have been received by the Office. Attached hereto are replacement sheets for Figs. 1-3. These drawings were already submitted to the Office with filing of the 371 application. Applicants request that the requirement be deemed satisfied.

Claims 10-14 were rejected under 35 U.S.C. 112, second paragraph, as being indefinite. More particularly, claim 10 was rejected because it includes the term "and/or" while claims 12-14 were rejected on the ground that they depend upon a method claim, rather than an apparatus claim.

Claim 10 was amended to correct the informality. Claims 12-14 were amended to correct their dependency to claim 3. Accordingly, Applicants request that the rejection be withdrawn.

Claims 1, 3-7 and 13 were rejected under 35 U.S.C. 102(b) as being anticipated by U.S. Patent 5,140,166 to Gerlier. Applicants respectfully traverse the rejection and submit that claims 1, 3-7 and 13 recite subject matter not disclosed by Gerlier.

Claim 1 defines a method for aligning bank notes in a transport system. The method includes a step of detecting the alignment of a bank note transported separately in the transport system. The detected alignment of the single bank note is checked for the presence of a misalignment. The single bank note is aligned in a desired alignment by a movement of the single bank note in a direction deviating from the transport direction of the transport system using the detected misalignment. The alignment of the single bank note is detected during the aligning. The aligning is terminated as soon as the single bank note has the desired alignment.

Claim 3, upon which claims 4-7 and 13 depend, defines an apparatus for aligning bank notes in a transport system, with a device for detecting the alignment of a bank note transported separately in the transport system; a device for checking the detected alignment of the single bank note as to the presence of a misalignment, and means for aligning the single bank note in a desired alignment, which are controlled by the device for checking the detected alignment using the detected misalignment. The device for detecting the alignment detects the alignment of the single bank note in the area of the means for aligning, and the device for checking the detected alignment stops the means for aligning, as soon as the single bank note has the desired alignment.

As a result of the claimed configurations, a method and system for aligning a sheet or bank note in a transport system is provided that has advantages including that the current alignment is checked during the aligning of the sheet or bank note and aligning is terminated as soon as the desired alignment is reached. Further, the interruption of the transporting of the bank note is not required.

Gerlier describes the alignment of a sheet, wherein an interruption of the transport of the sheet is necessary for the alignment (see e.g. col. 9, lines 34-68). Particularly, it is stated in lines 44 and 45 that the transport means must release the sheet for alignment. Further, there is no detecting of the alignment of the sheet during aligning, which is used to determine when to terminate alignment. For example, in embodiments of the present invention, an optical sensor 20, which can be in the form of a camera, senses current alignment during the aligning step. The sensor 20 is coupled with microcomputer 21 that monitors alignment and controls alignment. Gerlier fails to disclose such an arrangement. Rather, only the angle of rollers, not the sheet, is measured during alignment, and the current alignment of the sheet being aligned. Thus, Gerlier fails to disclose each and every element of claims 1, 3-7 and 13. Accordingly, Applicants request that the rejection be withdrawn.

Claims 2, 10, 11 and 14 were rejected under 35 U.S.C. 103(a) as being unpatentable over U.S. Patent 5,140,166 to Gerlier in view of U.S. Patent 5,755,437 to Ek Applicants respectfully traverse the rejection and submit that claims 2, 10, 11 and 14 recite subject matter that is neither disclosed nor suggested by the combination of the cited prior art.

Claims 2, 10, 11 and 14 depend from claims 1 or 3. Thus, the comments made above with respect to Gerlier apply equally to claims 2, 10, 11 and 14.

Ek is provided allegedly to disclose features of the dependent claims. Applicants submit that Ek fails to disclose that which is asserted in the Office Action. Further, Ek

fails to cure any of the above-described deficiencies of Gerlier. For instance, EK describes that a sensor (12) detects the misalignment of a sheet and that the alignment is carried out with respect to the detected misalignment. However, Ek does <u>not</u> provide any indication that <u>the alignment is detected during the aligning step and terminated as soon as the desired alignment is achieved. See col. 3, lines 43-60 of Ek. Thus, the combination of Gerlier and Ek fails to include each and every element of claims 2, 10, 11 and 14. Accordingly, Applicants request that the rejection be withdrawn.</u>

Claims 8, 9, and 12 were rejected under 35 U.S.C. 103(a) as being unpatentable over U.S. Patent 5,140,166 to Gerlier in view of U.S. Patent 3,918,706 to Craft.

Applicants respectfully traverse the rejection because the combination of prior art fails to disclose or suggest each and every feature of claims 8, 9, and 12.

Claims 8, 9, and 12 depend from claim 3. Thus, the comments made above with respect to Gerlier apply equally to claims 8, 9, and 12. Craft is directed to pneumatic sheet transport and alignment mechanism that utilizes an edge guide and fails to disclose that the alignment is detected during the aligning step and terminated as soon as the desired alignment is achieved, as claimed in the present application. Thus, the combination of Gerlier and Craft fails to disclose or suggest each and every feature of claims 8, 9, and 12. Accordingly, Applicants request that the rejection be withdrawn.

In view of the above, all objections and rejections have been sufficiently addressed. Applicants submit that the application is now in condition for allowance and requests that claims 1-14 be allowed and this application passed to issue.

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In the event that this paper is not timely filed, the Applicants respectfully petition for an appropriate extension of time. Any fees for such an extension together with any additional fees may be charged to Deposit Account No. 02-2135.

If for any reason the Examiner determines that the application is not now in condition for allowance, it is respectfully requested that the Examiner contact, by telephone, the Applicants' undersigned attorney at the indicated telephone number to arrange for an interview to expedite the disposition of this application.

Respectfully submitted,

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Date

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